

A RESOLUTION

State Health Benefit Plan Employer Contribution Rates for FY 2011

WHEREAS, the State Health Benefit Plan ("SHBP") is comprised of three health insurance plans, each supported by its own fund: 1) a plan for State employees (O.C.G.A. § 45-18-2), 2) a plan for teachers (O.C.G.A. § 20-2-891), and 3) a plan for non-certificated public school employees (O.C.G.A. § 20-2-911); and

WHEREAS, pursuant to O.C.G.A. §§ 20-2-891(c), 20-2-918(b) and 45-18-12(b) the Commissioner of the Department of Community Health is permitted to combine the three funds supporting the three plans (together, the "State Health Benefit Plan" or "SHBP") in order to pay benefits due under any of the plans; and

WHEREAS, Georgia law requires that all SHBP employer contribution requirements must be approved by the Governor and the Board and memorialized by Board resolution; and

WHEREAS, O.C.G.A. § 45-18-14 provides for the Board of Community Health (the "Board") and the Governor to establish the rate that each department, board and agency of the executive and judicial branches of state government shall contribute to the health insurance fund for State employees as their portion of the cost of benefits payable under that plan (the "State Employee Plan Employer Contribution Rate"); and

WHEREAS, the General Assembly approved a maximum State Employee Plan Employer Contribution Rate for July 1, 2010 – June 30, 2011 of 22.165% of total salaries for FY2011; and

WHEREAS, in order to support the financial stability of the SHBP, the State Employee Plan Employer Contribution Rate must be maintained at 25.586% of total salaries for the second and third quarters of FY2011; and

WHEREAS, O.C.G.A. § 20-2-892 provides for the Board and the Governor to establish the rate that each local school system, library, and RESA shall contribute to the health insurance fund for teachers as their portion of the cost of benefits payable under that plan (the "Teachers' Plan Employer Contribution Rate"); and

WHEREAS, the General Assembly approved a maximum Teachers' Plan Employer Contribution Rate for July 1, 2010 – June 30, 2011 of 18.534% of state-based salaries for local school systems and RESAs and 18.534% of total salaries for libraries for FY2011; and

WHEREAS, in order to support the financial stability of the SHBP, the Teachers' Plan Employer Contribution Rate must be maintained at 21.955% of state-based salaries for local school systems and RESAs and 21.955% of total salaries for libraries for the second and third quarters of FY2011; and

WHEREAS, SHBP Regulations § 111-4-1-.02 (2)(d) provides "2. The State Department of Education Employer Contribution Rate for the Public School Employee Health Insurance Fund

may be a dollar amount as identified in the Appropriations Act” (“Department of Education Non-Certificated Public School Employee Contribution”) and “3. The local school system Employer Contribution Rate for the Public School Employee Health Insurance Fund may be a dollar amount per Enrolled Member and shall be remitted to the Administrator on a monthly basis” (Non-Certificated Public School Employee PMPM Contribution”); and

WHEREAS, the entire Department of Education Non-Certificated Public School Employee Contribution of \$30,261,938.00 has been received; and

WHEREAS, the Department will be requesting that the Amended Appropriations Act for FY2011 authorize an increase of \$50,000,000.00 to the maximum Department of Education Non-Certificated Public School Employee Contribution, and

WHEREAS, if approved, the additional \$50,000,000.00 Department of Education Non-Certificated Public School Employee Contribution will be received before the end of FY2011; and

WHEREAS, the Non-Certificated Public School Employee PMPM Contribution rate of \$162.72 per member per month must be increased to a rate of \$218.20 per member per month, effective for December, 2010 billing, in order to support the ongoing financial stability of the SHBP; and

WHEREAS, the Department has projected SHBP FY2011 expenses on the basis of the current SHBP plan design through December 31, 2010 and based on design changes effective January 1, 2011; and

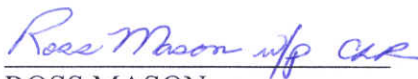
WHEREAS, based on projected revenue from employer and member contributions set forth in resolutions today, and from other sources, it is expected that there will be sufficient funds to pay projected SHBP costs for the remainder of FY2011;

NOW, THEREFORE, LET IT BE ORDERED THAT the State Employee Plan Employer Contribution Rate shall be 25.586% of total salaries for the second and third quarters of FY2011; and

NOW, THEREFORE, LET IT BE ORDERED THAT the Teachers’ Plan Employer Contribution Rate shall be 21.955% of state-based salaries for local school systems and RESAs and 21.955% of total salaries for libraries for the second and third quarters of FY2011; and

NOW, THEREFORE, LET IT BE ORDERED THAT the Non-Certificated Public School Employee PMPM Contribution rate shall be \$162.72 for September, October and November of 2010, and \$218.20 for the remainder of FY2011.

Resolved this 26th day of August, 2010, in public session.


ROSS MASON
Vice-Chairman


ARCHER R. ROSE
Secretary